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SUBJECT: COSTA RICAN 2008 NOMINATION FOR THE SECRETARY OF STATE'S
AWARD FOR CORPORATE EXCELLENCE.

REF. SECSTATE 34994

¶1. Embassy San Jose is pleased to nominate CitiGroup (hereafter Citi) in Costa Rica for the multinational enterprise (MNE) category of the Secretary of State's Award for Corporate Excellence (ACE). Citi is headquartered in the United States and operates in over 100 countries around the world. Citi in Costa Rica has an excellent record in each of the eight ACE criteria and is worthy of particular commendation in the areas of "Good Corporate Citizenship," "Exemplary Employment Practices," and "Contribution to the Rule of Law and Overall Growth and Development of the Local Economy."

Good Corporate Citizenship

¶2. Citi takes a leadership role in making Costa Rica a better place to live and work, striving to improve the communities in which the bank operates by focusing in three areas: education, economic and community development, and quality of life. Citi is currently promoting the second annual "Costa Rican Micro Entrepreneurship Citi Award" in cooperation with a local NGO. The main goal of the award is to promote the role of micro credit to ameliorate poverty, and to highlight and promote the importance of micro entrepreneurs in the Costa Rican economy.

¶3. Citi also has two strong and effective programs focused on individuals and quality of life. "Amigos del Aprendizaje" (ADA) is a program designed to prevent children from dropping out at the elementary level and to strengthen early literacy. Through teacher training, parent involvement, and volunteerism, this program has been widely successful. With the help of the Citi Foundation and volunteers from Citi in Costa Rica, 150 children benefit from ADA each year. The total number of Citi volunteers is 12 and, as a group, they have contributed more than 60 hours annually towards this effort since 2006. Citi also has a longstanding relationship with Habitat for Humanity, donating funds each year to help Habitat for Humanity make dreams a reality and encouraging Citi employees to volunteer in helping to build homes for families. Citi volunteers also work with Habitat to educate families in financial literacy during the year.

¶4. For the last nine years, Citi has supported the program "Banks in Action," which is a business simulation program of the banking industry where students learn and practice how to manage a bank. Thus far, over 5000 Costa Rican students in their fourth year in Technical High Schools have completed the program.

Exemplary Employment Practices

¶5. Citi's exemplary business practices include compliance with all local labor laws as well as added benefits to ensure that Citi employees have excellent working conditions. Citi is committed to promoting ethics, diversity, and transparency in the work place as

part of a strong Corporate Governance strategy.

¶16. During the past year, Citi has been integrating the purchases of Banco Cuzcatlan and Banco Uno into Citi Costa Rica, which has provided opportunities to reinforce the Citi culture among this group of new employees. Specific measures have included policies targeting discrimination, sexual harassment, and hostile work environment. One telling statistic has been the relatively high number of women in Citi Costa Rica upper-management (42 percent female, 58 percent male) and middle management (60 percent women, 40 percent men).

Contribution to the Rule of Law and Overall Growth and Development
of the Local Economy

¶17. Citi is unique among US banks in that it has operated in Costa Rica as a fully embedded financial services institution since 1968. In 1996, the GOCR reformed the banking sector, allowing private banks to offer retail services similar to the state banks. As a result, the banking sector has been one of the most dynamic in the Costa Rican economy, with regulatory agencies, public banks and private banks growing and learning together. As the only US bank operating in the country since the beginning of the reforms, Citi has helped create and maintain the necessary dialogue and growth. Citi has consistently supported the GOCR and regulators with their specific events by collaborating with regional speakers who offer their opinion and analysis on different issues, economic trends, and other issues such as financial services. Furthermore, Citi has shared expertise and best practices to prevent fraud and promote awareness of this topic with the banking community and regulators.

¶18. Citi has brought innovation to the financial services industry by introducing world-class products uncommon in the Costa Rican markets. Citi states that it is currently the only bank in Costa Rica that has successfully executed local currency fx-hedging alternatives and derivatives (interest rate hedging alternatives) such as swaps, caps, and collars. As the Central Bank of Costa Rica (BCCR) promotes the transition of Costa Rica's currency market to a "managed float", such experience on the part of a leading local bank is and will continue to be invaluable.

¶19. Citi has also been a leader in the local electronic inter-banking payment system (SINPE) which allows local and international companies operating in Costa Rica to make vendor, payroll, and other payments electronically while ensuring world class information security standards. During 2007, Citi Costa Rica was the leader in Direct Credit with 197,336 transactions, boosting SINPE's image in the market and helping confirm the legitimacy of the local payments system.

¶10. In recognition of Citi's beneficial impact in Costa Rican society and in the banking sector, the Embassy is pleased to nominate CitiGroup in Costa Rica for the Secretary's Corporate Service Award.